[No. 40]

(SB 492)

AN ACT to amend 1933 PA 167, entitled "An act to provide for the raising of additional public revenue by prescribing certain specific taxes, fees, and charges to be paid to the state for the privilege of engaging in certain business activities; to provide, incident to the enforcement thereof, for the issuance of licenses to engage in such occupations; to provide for the ascertainment, assessment and collection thereof; to appropriate the proceeds thereof; and to prescribe penalties for violations of the provisions of this act," by amending section 4x (MCL 205.54x), as added by 2000 PA 204.

The People of the State of Michigan enact:

205.54x Sales to domestic air carrier; tax exemption.

Sec. 4x. (1) A person subject to the tax under this act may exclude from the gross proceeds used for the computation of this tax sales to a domestic air carrier of 1 or more of the following:

- (a) An aircraft that has a maximum certificated takeoff weight of at least 6,000 pounds for use solely in the transport of air cargo, passengers, or a combination of air cargo and passengers.
- (b) Parts and materials, excluding shop equipment or fuel, affixed or to be affixed to an aircraft that has a maximum certificated takeoff weight of at least 6,000 pounds for use solely in the transport of air cargo, passengers, or a combination of air cargo and passengers.
- (2) A person subject to the tax under this act may exclude from the gross proceeds used for the computation of this tax sales of an aircraft to a person for subsequent lease to a domestic air carrier operating under a certificate issued by the federal aviation administration under 14 C.F.R. 121, for use solely in the regularly scheduled transport of passengers.
- (3) As used in this section, "domestic air carrier" is limited to entities engaged primarily in the commercial transport for hire of air cargo, passengers, or a combination of air cargo and passengers as a business activity.

This act is ordered to take immediate effect. Approved July 11, 2001. Filed with Secretary of State July 11, 2001.